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HOUSE BILL 637

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

INTRODUCED BY

Danice Picraux

AN ACT

RELATING TO PUBLIC FINANCE; ADDING SCHOOL-BASED HEALTH CENTERS AND TELEHEALTH SITES AS ELIGIBLE ENTITIES PURSUANT TO THE PRIMARY CARE CAPITAL FUNDING ACT; PROVIDING LOAN ELIGIBILITY REQUIREMENTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 24-1C-3 NMSA 1978 (being Laws 1994, Chapter 62, Section 9, as amended) is amended to read:

"24-1C-3. DEFINITIONS.--As used in the Primary Care Capital Funding Act:

A. "authority" means the New Mexico finance authority;

B. "capital project" means repair, renovation or construction of a facility; purchase of land; ~~or~~ acquisition of capital equipment of a long-term nature; or acquisition of

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1 capital equipment to be used in the delivery of primary care,
2 telehealth or hospice services;

3 C. "department" means the department of health;

4 D. "eligible entity" means:

5 (1) a community-based nonprofit primary care
6 clinic or hospice that operates in a rural or other health care
7 underserved area of the state and that has assets totaling less
8 than ten million dollars (\$10,000,000) and is a 501(c)(3)
9 nonprofit corporation for federal income tax purposes;

10 (2) a school-based health center that operates
11 in a public school district and that meets department
12 requirements or that is funded by the federal department of
13 health and human services; or

14 (3) a telehealth site that is operated by an
15 eligible entity pursuant to Paragraphs (1) and (2) of this
16 subsection;

17 E. "fund" means the primary care capital fund; and

18 F. "primary care" means the first level of basic or
19 general health care for an individual's health needs, including
20 diagnostic and treatment services; "primary care" includes the
21 provision of mental health services if those services are
22 integrated into the eligible entity's service array, delivered
23 at a primary care clinic, telehealth site or a school-based
24 health center."

25 Section 2. Section 24-1C-4 NMSA 1978 (being Laws 1994,

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1 Chapter 62, Section 10) is amended to read:

2 "24-1C-4. PRIMARY CARE CAPITAL FUND--CREATION.--

3 A. The "primary care capital fund" is created as a
4 revolving fund in the state treasury. The fund shall consist
5 of appropriations, loan repayments, gifts, grants, donations
6 and interest earned on investment of the fund. A separate
7 account shall be maintained for appropriations, loan
8 repayments, gifts, grants, donations and interest earned on
9 investment of the account for loans to school-based health
10 centers and telehealth sites. Money in the fund shall not
11 revert at the end of a fiscal year.

12 B. The fund shall be administered by the authority.
13 Administrative costs of the authority or department shall not
14 be paid from the fund. Money in the fund shall be expended
15 only on warrants drawn by the secretary of finance and
16 administration pursuant to vouchers signed by the director of
17 the authority or his authorized representative."

18 Section 3. Section 24-1C-6 NMSA 1978 (being Laws 1994,
19 Chapter 62, Section 12, as amended) is amended to read:

20 "24-1C-6. DEPARTMENT--AUTHORITY--POWERS AND DUTIES.--

21 A. The department and the authority shall
22 administer the loan programs and contracts for services
23 established pursuant to the provisions of the Primary Care
24 Capital Funding Act. The department and authority shall:

25 (1) enter into joint powers agreements with

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1 each other or other appropriate public agencies to carry out
2 the provisions of that act; and

3 (2) apply to any appropriate federal, state or
4 local governmental agency or private organization for grants
5 and gifts to carry out the provisions of that act or to fund
6 allied community-based health care programs.

7 B. The department or authority may, instead of a
8 loan, contract for services with an eligible entity to provide
9 free or reduced fee primary care services for sick and
10 medically indigent persons as reasonably adequate legal
11 consideration for money from the fund to the entity so it may
12 acquire or construct a capital project to provide the services.

13 C. The department and authority may:

14 (1) make and enter into contracts and
15 agreements necessary to carry out their powers and duties
16 pursuant to the provisions of the Primary Care Capital Funding
17 Act; and

18 (2) do all things necessary or appropriate to
19 carry out the provisions of the Primary Care Capital Funding
20 Act.

21 D. The authority is responsible for all financial
22 duties of the programs, including:

23 (1) administering the fund;

24 (2) accounting for all money received,
25 controlled or disbursed for capital projects in accordance with

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1 the provisions of the Primary Care Capital Funding Act;

2 (3) evaluating and approving loans and
3 contracts for services, including determining financial
4 capacity of an eligible entity;

5 (4) enforcing contract provisions of loans and
6 contracts for services, including the ability to sue to recover
7 money or property owed the state;

8 (5) determining interest rates and other
9 financial aspects of a loan and relevant terms of a contract
10 for services; and

11 (6) performing other duties in accordance with
12 the provisions of the Primary Care Capital Funding Act,
13 regulations promulgated pursuant to that act or joint powers
14 agreements entered into with the department.

15 E. The department is responsible for the following
16 duties:

17 (1) defining sick and medically indigent
18 persons for purposes of the Primary Care Capital Funding Act;

19 (2) establishing priorities for loans and
20 contracts for services;

21 (3) determining the appropriateness of the
22 capital project;

23 (4) evaluating the capability of an applicant
24 to provide and maintain primary care or hospice services;

25 (5) selecting recipients of loans and persons

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1 with whom to contract for services;

2 (6) determining that capital projects comply
3 with all state and federal licensing and procurement
4 requirements; and

5 (7) contracting with an eligible entity to
6 provide primary care services without charge or at a reduced
7 fee for sick and medically indigent persons as defined by the
8 department.

9 F. The authority may make a loan to an eligible
10 entity to acquire, construct, renovate or otherwise improve a
11 capital project, provided there is a finding:

12 (1) by the department that the project will
13 provide primary care services to sick and medically indigent
14 persons as defined by the department; and

15 (2) by the authority that there is adequate
16 protection, including [~~but not limited to~~] loan guarantees,
17 real property liens, title insurance, security interests in or
18 pledges of accounts and other assets, loan covenants and
19 warranties or restrictions on other encumbrances and pledges
20 for the state funds extended for the loan.

21 G. The authority may make a loan to a public school
22 district operating a school-based health center or to a
23 telehealth site for a capital project; provided, however, that
24 the loan shall not exceed the amount in the account reserved
25 for school-based health center or telehealth site funding."

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